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February 3, 2017

Grant Scavello
US Environmental Protection Agency
3WP22 GS
1650 Arch Street
Philadelphia, PA 19103-2029

re **Broken Injection Well** - PAS2R208AELK- Kane Water Flood
Highland #042, API# 37-047-20663

Dear Mr. Scavello:

Enclosed please find the Report of Non-Compliance for the above-referenced injection well. We will unscrew the 2 inch tubing and pull it out. We will replace all bad joints and run it back in. Then we will do a MIT test or we will plug this well. Dave Rectenwald is aware of this.

If any additional information is required, please feel free to call me.

Sincerely,

T. C. Oknefski

Tim C. Oknefski
ARG Resources, Inc.
EH & S Manager
(814) 837-7477

enclosure



PAS2R208AELK

AMERICAN REFINING GROUP

Report of Noncompliance for Underground Injection Control Program

Field : Highland (Kane) 37-04-20663 Well 042 Date:2/2/17

The lease foreman is to fill in the following report for any noncompliance (for example, a broke-in injection well or a failed MIT) regarding operations conducted under the Underground Injection Control Program. It is to be sent to Tim Oknefski at the Lamont Office the same day as the noncompliance is discovered. The noncompliance should be reported verbally to Tim Oknefski as soon as discovered.

1. Description of noncompliance (for example, broke-in injection well or failed MIT by an injection well):

Broke in injection well

2. Causes of noncompliance:

Hole in 2"

3. Period of noncompliance (from-to, dates and times):

2/2/17

4. Anticipated time noncompliance is expected to continue (for example, how much time will pass before the injection tubing is repaired):

3 Months

5. Steps taken to reduce, eliminate, and prevent recurrence of the noncompliance (for example, state that a repair string was or will be run inside a leaking injection tubing string):

We will unscrew and pull with the 2". Replace bad 2". Then we will do an MIT test or plug this well.

I Put on Dave Rectenwald's list

**Thanks,
Kenny Kinner**